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Senate Engrossed

State of Arizona  
Senate  
Forty-seventh Legislature  
First Regular Session  
2005

# SENATE BILL 1515

AN ACT

AMENDING SECTION 11-292, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2905.02; AMENDING TITLE 41, CHAPTER 7, ARTICLE 12, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1291.01; AMENDING SECTIONS 41-2031 AND 41-2032, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 14, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2033; AMENDING SECTIONS 42-5252 AND 46-207, ARIZONA REVISED STATUTES; REPEALING SECTION 46-252, ARIZONA REVISED STATUTES; AMENDING SECTIONS 46-731, 46-803, 46-805, ARIZONA REVISED STATUTES; RELATING TO HEALTH AND WELFARE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 11-292, Arizona Revised Statutes, is amended to  
3 read:

4 11-292. Medical care: definition

5 A. The board of supervisors, subject to the applicable provisions of  
6 title 42, chapter 17, articles 2 and 3, shall include in its annual budget an  
7 amount equal to fifty per cent of the amount budgeted by the county board of  
8 supervisors or the amount expended, whichever is less, for the  
9 hospitalization and medical care of the indigent sick pursuant to this  
10 article for fiscal year 1980-1981, except for Yuma and La Paz counties. The  
11 contribution amounts of those counties shall be equal to the amount Yuma  
12 county would have made pursuant to this subsection if a division had not  
13 occurred apportioned between the counties. The office of the auditor general  
14 shall determine the amount Yuma county would otherwise have included if a  
15 division had not occurred and shall then determine the contribution amounts  
16 of Yuma and La Paz counties based on the proportionate share of the estimated  
17 population in these counties as of July 1, 1982.

18 B. For fiscal year 1994-1995, and for each fiscal year thereafter, the  
19 state treasurer shall withhold an amount sufficient to meet the county  
20 portion of the nonfederal costs of providing long-term care system services,  
21 pursuant to title 36, chapter 29, article 2, excluding services to the  
22 developmentally disabled, from monies otherwise payable to the county under  
23 section 42-5029, subsection D, paragraph 2. This amount and the state  
24 portion of the nonfederal costs shall be specified in the annual  
25 appropriation for the maintenance and operation of the Arizona health care  
26 cost containment system. For fiscal years 1994-1995, 1995-1996 and  
27 1996-1997, monies shall be withheld from each county based on the following  
28 percentages derived from a state auditor general's certified audit of fiscal  
29 year 1987-1988 county long-term care and home health care expenditures,  
30 except that amounts withheld shall be adjusted to reflect amounts paid by  
31 counties pursuant to section 36-2952:

32 1. Apache:	0.22%
33 2. Cochise:	2.49%
34 3. Coconino:	0.66%
35 4. Gila:	2.56%
36 5. Graham:	0.64%
37 6. Greenlee:	0.34%
38 7. La Paz:	0.34%
39 8. Maricopa:	56.55%
40 9. Mohave:	2.73%
41 10. Navajo:	0.91%
42 11. Pima:	20.55%

1	12. Pinal:	5.09%
2	13. Santa Cruz:	1.05%
3	14. Yavapai:	3.12%
4	15. Yuma:	2.75%

5 C. In each fiscal year, of the total amount that is specified in the  
6 annual appropriation as the nonfederal portion of the cost of providing  
7 long-term care services, excluding services to the developmentally disabled,  
8 and that represents an increase from the amount that was specified in the  
9 annual appropriation for the prior fiscal year, the state shall pay fifty per  
10 cent of the increase. The remaining nonfederal portion of the costs shall be  
11 apportioned among the counties according to the proportion that each county's  
12 net nonfederal expenditures for long-term care services, excluding services  
13 to the developmentally disabled, bears to the total nonfederal expenditure  
14 for all counties two fiscal years earlier, with the following adjustments in  
15 the following order:

16 1. If the resulting net county contribution when expressed as an  
17 imputed property tax rate per one hundred dollars of net assessed value  
18 exceeds ninety cents, the county's contribution shall be reduced so that the  
19 imputed property tax rate equals ninety cents and the difference shall be  
20 paid by the state.

21 2. Any county with a native American population that represents at  
22 least twenty per cent of the county's total population according to the most  
23 recent United States decennial census shall contribute an amount equal to the  
24 prior fiscal year's contribution plus fifty per cent of the difference  
25 between the prior year's contribution were it calculated using the percentage  
26 in subsection B of this section and the current year's contribution as if its  
27 share of the total nonfederal portion of the long-term care costs had been  
28 calculated using the percentage prescribed in subsection B of this section  
29 and the state shall pay any difference from the amount otherwise required by  
30 this subsection.

31 3. If, after making the adjustments in this subsection, a county would  
32 contribute more than if its contribution were calculated using the percentage  
33 prescribed in subsection B of this section multiplied by the total nonfederal  
34 costs of long-term care services, excluding services to the developmentally  
35 disabled, the county's contribution shall be reduced to the sum of its prior  
36 year's contribution plus fifty per cent of the difference between the prior  
37 year's contribution were it calculated using the percentage in subsection B  
38 of this section and the current year's contribution as if its share of the  
39 total nonfederal portion of long-term care costs had been calculated using  
40 the percentage prescribed in subsection B of this section and the state shall  
41 pay any difference from the amount otherwise required by this subsection.

42 D. The director of the Arizona health care cost containment system  
43 administration shall notify each county of the amount determined pursuant to  
44 subsection A of this section to be included in its annual budget no later  
45 than May 1 of each year.

1       E. If a county does not provide funding as specified in subsection A  
2 of this section, the state treasurer shall subtract the amount owed to the  
3 Arizona health care cost containment system fund by the county from any  
4 payments required to be made by the state treasurer to that county pursuant  
5 to section 42-5029, subsection D, paragraph 2, plus interest on that amount  
6 pursuant to section 44-1201 retroactive to the first day the funding was due.  
7 If the monies the state treasurer withholds are insufficient to meet that  
8 county's funding requirement as specified in subsection A of this section,  
9 the state treasurer shall withhold from any other monies payable to that  
10 county from whatever state funding source is available an amount necessary to  
11 fulfill that county's requirement. The state treasurer shall not withhold  
12 distributions from the highway user revenue fund pursuant to title 28,  
13 chapter 18, article 2.

14       F. Each month payment of an amount equal to one-twelfth of the total  
15 amount determined pursuant to subsection A of this section shall be made to  
16 the state treasurer. Beginning October 1, 1989, payment of this amount shall  
17 be made to the state treasurer on or before the fifth day of each month.  
18 Upon request from the director of the Arizona health care cost containment  
19 system administration, the state treasurer shall require that up to three  
20 months' payments be made in advance, if necessary.

21       G. The state treasurer shall deposit the amounts paid pursuant to  
22 subsection F of this section and amounts withheld pursuant to subsection E of  
23 this section in the Arizona health care cost containment system fund  
24 established pursuant to section 36-2913.

25       H. If payments made pursuant to subsection F of this section exceed  
26 the amount required to meet the costs incurred by the Arizona health care  
27 cost containment system for the hospitalization and medical care of a person  
28 who is defined as an eligible person pursuant to section 36-2901, paragraph  
29 6, subdivision (a), the director of the Arizona health care cost containment  
30 system administration may instruct the state treasurer either to reduce  
31 remaining payments to be paid pursuant to this section by a specified amount  
32 or to provide to the counties specified amounts from the Arizona health care  
33 cost containment system fund.

34       I. The amount of the county contribution to the Arizona health care  
35 cost containment system fund established in section 36-2913 shall not exceed  
36 thirty-three per cent of the amount that the system administration expended  
37 in the county for fiscal year 1983-1984. For the purposes of this  
38 subsection, system administration expenditures in a county for fiscal year  
39 1983-1984 are the total capitation and fee for service amounts paid by the  
40 system administration to providers in a county before February 1, 1986 for  
41 services rendered during fiscal year 1983-1984 to persons eligible for the  
42 system.

43       J. The state treasurer shall deposit amounts withheld pursuant to  
44 subsection E of this section in the Arizona health care cost containment  
45 system fund established by section 36-2913.

1 K. The state treasurer shall deposit the monies withheld from the  
2 counties and contributed by the state pursuant to subsection B of this  
3 section in the long-term care system fund established by section 36-2913, in  
4 twelve equal monthly installments. The monthly installments shall be  
5 deposited in the fund by the state treasurer by the fourth working day of  
6 each month.

7 L. By July 1 or within sixty days after enactment of the annual  
8 appropriation for the maintenance and operation of the Arizona health care  
9 cost containment system, whichever is later, and after consulting with the  
10 joint legislative budget committee and the governor's office of strategic  
11 planning and budgeting, the state treasurer shall notify each county of the  
12 amount to be withheld pursuant to subsection B of this section.

13 M. If the monies deposited in the long-term care system fund pursuant  
14 to subsection K of this section are insufficient to meet the funding  
15 requirement as specified in the annual appropriation for the maintenance and  
16 operation of the Arizona health care cost containment system pursuant to  
17 subsection B of this section, the state treasurer shall withhold from any  
18 other monies payable to that county from any available state funding source,  
19 other than the highway user revenue fund, the amount required to fulfill  
20 fifty per cent of the funding requirement and shall deposit the monies in the  
21 long-term care system fund. The state shall pay the remaining fifty per cent  
22 of the funding requirement.

23 N. If any monies in the funds for the purpose of title 36, chapter 29,  
24 article 2 remain unexpended at the end of the fiscal year, the director of  
25 the Arizona health care cost containment system administration shall specify  
26 to the state treasurer the amount to be withdrawn from the long-term care  
27 system fund. Of the amount specified, the state treasurer shall distribute  
28 fifty per cent to the counties pursuant to subsection B or C of this section.  
29 The remaining fifty per cent shall be distributed to the state.

30 O. The board of supervisors of a county that is a program contractor  
31 pursuant to section 36-2940 shall include in its annual budget, subject to  
32 title 42, chapter 17, articles 2 and 3, monies received from the Arizona  
33 health care cost containment system fund and long-term care system fund for  
34 the purposes of title 36, chapter 29, article 2.

35 P. Notwithstanding any law to the contrary, beginning in fiscal year  
36 ~~2002-2003~~ 2005-2006 and in each fiscal year thereafter, the state treasurer  
37 shall withhold a total of ~~five million~~ TWO MILLION THREE HUNDRED NINETY-FIVE  
38 THOUSAND FOUR HUNDRED dollars for the county contribution for the  
39 administrative costs of implementing sections 36-2901.01 and 36-2901.04  
40 beginning with the second monthly distribution of transaction privilege tax  
41 revenues otherwise distributable after subtracting any amounts withheld for  
42 the county long-term care contribution. Beginning in fiscal year ~~2002-2003~~  
43 2006-2007, the state treasurer shall adjust the amount withheld according to  
44 the annual changes in the GDP price deflator and as calculated by the joint  
45 legislative budget committee staff. Beginning in fiscal year ~~2003-2004~~  
46 2006-2007, the joint legislative budget committee shall calculate an

1 additional adjustment of the allocation required by this subsection based on  
2 changes in the population as reported by the department of economic security.  
3 For the purposes of this subsection "GDP price deflator" has the same meaning  
4 prescribed in section 41-563. Each county's annual contribution is as  
5 follows:

- 6 1. Apache, ~~1.342~~ 3.296 per cent.
- 7 2. Cochise, ~~2.503~~ 6.148 per cent.
- 8 3. Coconino, ~~2.469~~ 6.065 per cent.
- 9 4. Gila, ~~1.014~~ 2.491 per cent.
- 10 5. Graham, ~~0.721~~ 1.7110 per cent.
- 11 6. Greenlee, ~~0.185~~ 0.455 per cent.
- 12 7. La Paz, ~~0.384~~ 0.9430 per cent.
- 13 ~~8. Maricopa, 59.289 per cent.~~
- 14 ~~9.~~ 8. Mohave, ~~2.882~~ 7.079 per cent.
- 15 ~~10.~~ 9. Navajo, ~~1.889~~ 4.640 per cent.
- 16 ~~11.~~ 10. Pima, ~~17.167~~ 42.168 per cent.
- 17 ~~12.~~ 11. Pinal, ~~3.359~~ 8.251 per cent.
- 18 ~~13.~~ 12. Santa Cruz, ~~0.794~~ 1.950 per cent.
- 19 ~~14.~~ 13. Yavapai, ~~3.173~~ 7.794 per cent.
- 20 ~~15.~~ 14. Yuma, ~~2.829~~ 6.949 per cent.

21 Q. The state treasurer shall deposit the amounts paid pursuant to  
22 subsection P of this section in the budget neutrality compliance fund  
23 established by section 36-2928.

24 R. For the purposes of this section, "net assessed value" includes the  
25 values used to determine voluntary contributions collected pursuant to title  
26 9, chapter 4, article 3 and title 48, chapter 1, article 8.

27 Sec. 2. Title 36, chapter 29, article 1, Arizona Revised Statutes, is  
28 amended by adding section 36-2905.02, to read:

29 36-2905.02. Inpatient reimbursement; rural hospitals;  
30 definition

31 A. IF MONIES ARE APPROPRIATED FOR RURAL HOSPITALS, THE ARIZONA HEALTH  
32 CARE COST CONTAINMENT SYSTEM ADMINISTRATION SHALL REQUEST THE CENTERS FOR  
33 MEDICARE AND MEDICAID SERVICES TO APPROVE FEDERAL MATCHING MEDICAID FUNDING  
34 FOR THE PURPOSES SPECIFIED IN THIS SECTION.

35 B. THE ADMINISTRATION SHALL DISTRIBUTE THE AVAILABLE MONIES TO  
36 INCREASE INPATIENT REIMBURSEMENT FOR QUALIFYING RURAL HOSPITALS. AT NO TIME  
37 SHALL THE REIMBURSEMENT EXCEED THE COST OF PROVIDING CARE. THE  
38 ADMINISTRATION MAY MAKE SUPPLEMENTAL PAYMENTS TO QUALIFYING RURAL HOSPITALS  
39 BASED ON UTILIZATION OR ADJUST TIER RATES, ESTABLISHED PURSUANT TO SECTION  
40 36-2903.01, SUBSECTION H, FOR QUALIFYING RURAL HOSPITALS. NO ADJUSTMENTS TO  
41 INPATIENT REIMBURSEMENT UNDER SECTION 36-2903.01, SUBSECTION H TO HOSPITALS  
42 OTHER THAN RURAL HOSPITALS MAY BE MADE AS A RESULT OF THIS SECTION.

1 C. FOR THE PURPOSES OF THIS SECTION, "RURAL HOSPITAL" MEANS EITHER:  
2 1. A HEALTH CARE INSTITUTION THAT IS LICENSED AS AN ACUTE CARE  
3 HOSPITAL, THAT HAS ONE HUNDRED OR FEWER BEDS AND THAT IS LOCATED IN A COUNTY  
4 WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND PERSONS.

5 2. A HEALTH CARE INSTITUTION THAT IS LICENSED AS A CRITICAL ACCESS  
6 HOSPITAL.

7 Sec. 3. Title 41, chapter 7, article 12, Arizona Revised Statutes, is  
8 amended by adding section 41-1291.01, to read:

9 41-1291.01. Joint legislative committee on adoption promotion

10 A. THE JOINT LEGISLATIVE COMMITTEE ON ADOPTION PROMOTION IS  
11 ESTABLISHED CONSISTING OF THE FOLLOWING MEMBERS:

12 1. TWO MEMBERS OF THE SENATE WHO ARE FROM DIFFERENT POLITICAL PARTIES  
13 AND WHO ARE APPOINTED BY THE PRESIDENT OF THE SENATE. THESE MEMBERS SHALL  
14 SERVE AS NONVOTING ADVISORY MEMBERS. THE PRESIDENT OF THE SENATE SHALL  
15 SELECT ONE OF THESE MEMBERS TO SERVE AS COCHAIRPERSON OF THE COMMITTEE.

16 2. TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE FROM DIFFERENT  
17 POLITICAL PARTIES AND WHO ARE APPOINTED BY THE SPEAKER OF THE HOUSE OF  
18 REPRESENTATIVES. THESE MEMBERS SHALL SERVE AS NONVOTING ADVISORY MEMBERS.  
19 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL SELECT ONE OF THESE MEMBERS  
20 TO SERVE AS COCHAIRPERSON OF THE COMMITTEE.

21 3. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY OR THE  
22 DIRECTOR'S DESIGNEE.

23 4. ONE MEMBER OF A MARKETING FIRM WHO IS APPOINTED BY THE SPEAKER OF  
24 THE HOUSE OF REPRESENTATIVES.

25 5. ONE FOSTER PARENT WHO IS IN THE PROCESS, OR HAS ALREADY COMPLETED,  
26 THE PROCESS OF ADOPTING A FOSTER CHILD THROUGH THE DEPARTMENT OF ECONOMIC  
27 SECURITY AND WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

28 6. A REPRESENTATIVE OF A FAITH BASED ORGANIZATION THAT HAS A MISSION  
29 STATEMENT THAT INCLUDES PLACING FOSTER CHILDREN INTO ADOPTIVE HOMES WHO IS  
30 APPOINTED BY THE PRESIDENT OF THE SENATE.

31 7. AN ATTORNEY WHO IS LICENSED TO PRACTICE LAW IN THIS STATE, WHO  
32 SPECIALIZES IN ADOPTION LAW AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE  
33 OF REPRESENTATIVES.

34 8. A MEMBER OF THE FOSTER CARE REVIEW BOARD ESTABLISHED BY SECTION  
35 8-515.04 WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

36 9. A COURT APPOINTED SPECIAL ADVOCATE PURSUANT TO SECTION 8-523 WHO IS  
37 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

38 10. TWO EXPERTS IN THE FIELD OF ADOPTION WHO ALSO SPECIALIZE IN THE  
39 PLACEMENT OF FOSTER CHILDREN INTO ADOPTIVE HOMES, ONE OF WHOM IS APPOINTED BY  
40 THE PRESIDENT OF THE SENATE AND ONE OF WHOM IS APPOINTED BY THE SPEAKER OF  
41 THE HOUSE OF REPRESENTATIVES.

42 B. THE JOINT LEGISLATIVE COMMITTEE ON ADOPTION PROMOTION SHALL:

43 1. REVIEW WAYS THIS STATE CURRENTLY USES MONIES TO PROMOTE THE  
44 ADOPTION OF FOSTER CHILDREN WHO HAVE A CASE PLAN OF ADOPTION.

45 2. EXAMINE THE PRACTICES AND OUTREACH EFFORTS THIS STATE HAS UNDERGONE  
46 IN THE PAST AND MAKE RECOMMENDATIONS TO IMPROVE THEIR EFFECTIVENESS.

- 1           3. REVIEW ADOPTION PROCESSES IN ORDER TO IDENTIFY OBSTACLES.
- 2           4. PROVIDE RECOMMENDATIONS TO THE DEPARTMENT OF ECONOMIC SECURITY AND
- 3 TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON WAYS THIS STATE MAY PROMOTE THE
- 4 ADOPTION OF FOSTER CHILDREN WHO HAVE A CASE PLAN OF ADOPTION.
- 5           5. MAKE RECOMMENDATIONS TO THE DEPARTMENT OF ECONOMIC SECURITY AND TO
- 6 THE JOINT LEGISLATIVE BUDGET COMMITTEE ON WAYS TO SPEND THE ANNUAL FEDERAL
- 7 TEMPORARY ASSISTANCE TO NEEDY FAMILIES MONIES THAT ARE DESIGNATED FOR
- 8 OUTREACH FOR PROSPECTIVE ADOPTION OF FOSTER CHILDREN.
- 9           C. THE DEPARTMENT OF ECONOMIC SECURITY SHALL PROVIDE STAFF SUPPORT FOR
- 10 THIS COMMITTEE.
- 11           Sec. 4. Section 41-2031, Arizona Revised Statutes, is amended to read:
- 12           41-2031. Marriage and communication skills commission;
- 13                       membership; duties; staff; definition
- 14           A. The marriage and communication skills commission is established
- 15 consisting of the following members who serve at the pleasure of the
- 16 appointing person:
- 17           1. Two members of the senate who are from different political parties
- 18 and who are appointed by the president of the senate. These members serve as
- 19 advisory members. The president of the senate shall select one member to
- 20 cochair the commission.
- 21           2. Two members of the house of representatives who are from different
- 22 political parties and who are appointed by the speaker of the house of
- 23 representatives. These members serve as advisory members. The speaker of
- 24 the house of representatives shall select one member to cochair the
- 25 commission.
- 26           3. The governor or the governor's designee.
- 27           4. The director of the department of economic security or the
- 28 director's designee.
- 29           5. One member of the news media who is appointed by the speaker of the
- 30 house of representatives.
- 31           6. An expert in the field of marriage and family education and
- 32 counseling who is licensed to practice medicine or psychology in this state,
- 33 who specializes in marriage counseling and who is appointed by the president
- 34 of the senate.
- 35           7. An attorney who is licensed to practice law in this state, who
- 36 specializes in family law related education and who is appointed by the
- 37 governor.
- 38           B. The marriage and communication skills commission shall:
- 39           1. Review plans submitted to the department by the applicant
- 40 community-based organizations for participation in the marriage and
- 41 communication skills program and shall recommend community-based
- 42 organizations that are eligible to receive funding pursuant to section
- 43 41-2032.
- 44           2. Review renewal applications from participating community-based
- 45 organizations and make recommendations to the department.



1           3. Develop, **UPDATE** and distribute free of charge to marriage license  
2 applicants a handbook that includes information about the importance of  
3 communication, shared parental responsibility for children, child support  
4 responsibilities, alimony, domestic violence, child abuse and neglect, court  
5 process for divorce, community resources for parents who are divorced or  
6 separated, community resources for children of parents who are divorced or  
7 separated and marriage education courses that are available in each county.

8           4. Evaluate the program and beginning on November 1, 2001 report  
9 annually by November to the governor, the president of the senate, the  
10 speaker of the house of representatives and the joint legislative audit  
11 committee. The commission shall provide a copy of the report to the  
12 secretary of state and the ~~department of~~ **ARIZONA STATE** library, archives and  
13 public records.

14           5. Recommend qualifying criteria for ~~married or cohabitating parents~~  
15 **PERSONS** who apply to the department of economic security for a voucher to  
16 attend a marriage skills training course.

17           C. The department of economic security shall provide staff and support  
18 services to the commission.

19           D. For purposes of this section, "advisory member" means a member who  
20 advises the commission but who is not eligible to vote and is not a member  
21 for the purposes of determining a quorum.

22           Sec. 5. Section 41-2032, Arizona Revised Statutes, is amended to read:

23           **41-2032. Community-based marriage and communication skills**  
24           **program; fund; program termination**

25           A. A community-based organization may apply to participate or may  
26 complete an application to continue in the marriage and communication program  
27 as provided in this section for any fiscal year by submitting by April 15 a  
28 program proposal or an application to continue the program to the department.  
29 The department shall approve applicants after reviewing recommendations made  
30 by the marriage and communication skills commission established by section  
31 41-2031. New applicants are restricted to unencumbered monies that have been  
32 appropriated in previous fiscal years or monies appropriated to expand the  
33 program.

34           B. A program proposal shall contain:

35           1. A plan for implementing a marriage and communication skills program  
36 or a plan that demonstrates the existence of a marriage and communication  
37 skills program.

38           2. A plan to adopt a marriage and communication skills curriculum that  
39 emphasizes relationship skills, including communication and negotiation  
40 skills that are necessary to resolve common relationship problems.

41           3. A description of any model curricula that the community-based  
42 organization plans to use to provide marriage and communication skills. Any  
43 model curricula used by a community-based organization pursuant to this  
44 section shall not discuss or encourage unlawful behavior.

1           4. A plan to incorporate discussions of family law and domestic  
2 violence issues into the curriculum and marriage license options, including  
3 covenant marriage options.

4           C. A community-based marriage and communication skills program fund is  
5 established consisting of legislative appropriations. The department of  
6 economic security shall administer the fund and not more than five per cent  
7 shall be used for administrative costs. The department of economic security  
8 shall distribute monies to the community-based organizations whose plans have  
9 been recommended by the marriage and ~~parenting~~ COMMUNICATION skills  
10 commission. Monies in the fund are exempt from the provisions of section  
11 35-190 relating to ~~the~~ lapsing of appropriations and are continuously  
12 appropriated.

13           D. Community-based organizations shall spend monies received under the  
14 program to implement approved plans.

15           E. The program established by this article ends on ~~July 1, 2005~~  
16 SEPTEMBER 1, 2009 pursuant to section 41-3102.

17           Sec. 6. Title 41, chapter 14, article 6, Arizona Revised Statutes, is  
18 amended by adding section 41-2033, to read:

19           41-2033. Community based relationship skills high school pilot  
20 program; program termination

21           A. SCHOOL DISTRICTS MAY APPLY TO PARTICIPATE OR MAY COMPLETE AN  
22 APPLICATION TO CONTINUE IN THE COMMUNITY BASED RELATIONSHIP SKILLS HIGH  
23 SCHOOL PILOT PROGRAM AS PROVIDED IN THIS SECTION FOR ANY FISCAL YEAR BY  
24 SUBMITTING BY APRIL 15 A PROGRAM PROPOSAL OR AN APPLICATION TO CONTINUE THE  
25 PROGRAM TO THE MARRIAGE AND COMMUNICATION SKILLS COMMISSION ESTABLISHED BY  
26 SECTION 41-2031. THE MARRIAGE AND COMMUNICATION SKILLS COMMISSION SHALL  
27 SUBMIT THE APPROVED APPLICATIONS TO THE DEPARTMENT. THE DEPARTMENT SHALL  
28 APPROVE APPLICATIONS SUBMITTED BY THE MARRIAGE AND COMMUNICATION SKILLS  
29 COMMISSION ESTABLISHED BY SECTION 41-2031. NEW APPLICANTS ARE RESTRICTED TO  
30 UNENCUMBERED MONIES THAT HAVE BEEN APPROPRIATED IN PREVIOUS FISCAL YEARS OR  
31 MONIES APPROPRIATED TO EXPAND THE PROGRAM.

32           B. A PROGRAM PROPOSAL SHALL CONTAIN:

33           1. A PLAN FOR IMPLEMENTING A RELATIONSHIP SKILLS PROGRAM OR A PLAN  
34 THAT DEMONSTRATES THE EXISTENCE OF A RELATIONSHIP SKILLS PROGRAM.

35           2. A PLAN TO ADOPT A RELATIONSHIP SKILLS CURRICULUM THAT EMPHASIZES  
36 RELATIONSHIP SKILLS, INCLUDING COMMUNICATION AND NEGOTIATION SKILLS, DOMESTIC  
37 VIOLENCE PREVENTION AND MARRIAGE PREPARATION.

38           3. A DESCRIPTION OF ANY MODEL CURRICULA THAT THE SCHOOL DISTRICT PLANS  
39 TO PROVIDE RELATIONSHIP SKILLS. A CURRICULUM SHALL NOT PROVIDE INFORMATION  
40 FOR OR PROMOTE MARRIAGES THAT VIOLATE SECTION 25-101.

41           D. SCHOOL DISTRICTS SHALL SPEND MONIES RECEIVED UNDER THIS PROGRAM TO  
42 IMPLEMENT THE APPROVED PLANS.

43           E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON SEPTEMBER 1, 2009,  
44 PURSUANT TO SECTION 41-3102.

45           Sec. 7. Section 42-5252, Arizona Revised Statutes, is amended to read:

42-5252. Levy of tax

A. A tax is levied on every provider in an amount as follows:

1. For the fiscal years beginning from and after June 30, 2001 and ending before July 1, 2006, thirty-seven cents per month for each activated wire and wireless service account for the purpose of financing emergency telecommunication services.

2. For fiscal year 2006-2007, twenty-eight cents per month for each activated wire and wireless service account for the purpose of financing emergency telecommunication services.

3. For the fiscal years beginning from and after June 30, 2007, twenty cents per month for each activated wire and wireless service account for the purpose of financing emergency telecommunication services.

4. 0.68 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing telecommunication devices for the deaf and the severely hearing and speech impaired under the program established pursuant to section 36-1947.

5. ~~0.18~~ 0.25 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing the Arizona poison control system. These monies shall be deposited in the poison control fund administered by the department of health services and are subject to legislative appropriation.

6. ~~0.23~~ 0.16 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing the operating expenses of the Arizona state schools for the deaf and the blind pursuant to section 15-1306.

7. 0.01 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing the teratogen information program at the university of Arizona. These monies shall be deposited in the teratogen information program fund administered by the university of Arizona health sciences center.

B. Each provider shall state on the invoice to customers a separate line item stating the amount of tax levied pursuant to subsection A of this section.

C. Unless the context otherwise requires, article 1 of this chapter governs the administration of the tax imposed under this section.

Sec. 8. Section 46-207, Arizona Revised Statutes, is amended to read:

46-207. Grant plus income; uniform assistance plan; amount of assistance

A. In no event shall assistance paid any recipient under this title be an amount which, when added to income from all other sources, causes the total of income and grant to exceed the need of the recipient under uniform assistance plans for each program as determined by the state department, except that ~~the provisions of~~ this subsection shall not apply to ~~the optional~~

1 ~~state supplemental payments program authorized in section 46-252 or~~ temporary  
2 assistance for needy families prescribed in section 46-292.

3 B. If the total monies available for payment of assistance grants are  
4 not sufficient to meet the maximum amount for which each applicant or  
5 recipient is eligible by law, the department shall notify the joint  
6 legislative budget committee of the insufficiency of monies and shall make  
7 recommendations on how to overcome the insufficiency. The department shall  
8 not recommend reductions of an equal amount from every grant in each category  
9 of assistance, but shall take into consideration the needs of the applicants  
10 or recipients, and shall recommend the reductions necessary by specifying the  
11 percentage of budgeted needs which may be met within the maximums established  
12 in accordance with subsection A of this section. The department shall make  
13 the adjustments determined by the joint legislative budget committee.

14 C. In determining the amount of assistance which a recipient or  
15 applicant may receive under this title, the department shall include all  
16 income and resources from every source of the person claiming such aid,  
17 except that which is required to be disregarded as defined in department rule  
18 or by other provisions of this title, and shall consider and take into  
19 account earning capacity, living conditions and all facts and circumstances  
20 surrounding such person.

21 D. For assistance granted pursuant to section 46-292, the department  
22 shall include a shelter cost factor. For purposes of determining assistance  
23 payments with this shelter cost factor, the department shall reduce the  
24 federal poverty level used in its calculation of payments by thirty-seven per  
25 cent if the person is not paying, or is not obligated to pay, shelter costs  
26 on his place of residence.

27 Sec. 9. Repeal

28 Section ~~46-252~~, Arizona Revised Statutes, is repealed.

29 Sec. 10. Section 46-731, Arizona Revised Statutes, is amended to read:

30 ~~46-731.~~ Utility assistance fund: purposes: administration:  
31 nonreversion; reimbursement for administrative costs;  
32 definitions

33 A. A utility assistance fund is established to provide eligible  
34 recipients with assistance in making utility deposits and owner repairs or  
35 replacement of utility related appliances or systems. The department shall  
36 administer the fund. ~~Monies in the utility assistance fund shall not exceed~~  
37 ~~one million dollars. Any amount in excess of one million dollars shall be~~  
38 ~~deposited in the state general fund.~~ Eligible recipients are individuals who  
39 are in crisis situations requiring utility repair, deposit assistance or  
40 replacement of utility appliances or systems, who have a household income at  
41 or below one hundred twenty-five per cent of the poverty level or who are  
42 sixty years of age or older or handicapped and who have a household income at  
43 or below one hundred fifty per cent of the poverty level. The need for  
44 replacement of utility related appliances or systems shall be related to a  
45 documented crisis situation. Replacement of utility related appliances is  
46 limited to situations in which repair costs exceed replacement cost or an

1 appliance is found to be inoperable with repairs. For the purposes of this  
2 subsection, the poverty level is as determined by the United States office of  
3 management and budget and reported in the federal register.

4 B. A deposit, including any interest on the deposit, that is made by a  
5 subscriber with a utility to secure payment or any amount that is paid in  
6 advance for utility services to be furnished, less any lawful deductions or  
7 any amount held by a utility that the utility has been ordered to refund by a  
8 court or administrative agency, and that remains unclaimed by the subscriber  
9 for more than two years after the termination of the services for which the  
10 deposit or advance payment was made, or for more than two years after the  
11 refund becomes payable and distribution occurs pursuant to the final order of  
12 the court or administrative agency that has jurisdiction to establish the  
13 terms and conditions of the refund, is presumed abandoned and shall be  
14 transmitted annually to the department of revenue for deposit in the utility  
15 assistance fund. Any utility that delivers these refund payments to the  
16 department of revenue in good faith is relieved of all liability to the  
17 extent of any refund payment delivered for any claim then existing or that  
18 thereafter may arise or be made in respect to the property. This subsection  
19 does not apply to any refund subject to section 44-302, subsection A,  
20 paragraph 11 or to any refund that the court or agency order provides will be  
21 held by a person other than the utility.

22 C. The director shall provide the use of the utility assistance fund  
23 monies to designated community action or other agencies currently providing  
24 energy assistance that in the judgment of the director offer assistance  
25 services to individuals who are eligible under subsection A of this section  
26 to receive assistance under this article. The utility assistance fund monies  
27 shall be coordinated with all other state and federal energy assistance  
28 programs. An amount of not more than ten per cent of the fund monies may be  
29 designated for sewer and water system repairs. The director shall not  
30 disburse an amount of more than thirty-five per cent of all monies to the  
31 agencies during any quarter.

32 D. The agencies selected by the director shall disburse monies for  
33 payment of utility deposits by checks payable to the utility. These payments  
34 may be made in a batch process **OR TRANSMITTED ELECTRONICALLY**. The agencies  
35 selected by the director shall disburse monies for the payment of owner  
36 utility repairs and replacements by checks payable to the repairer or  
37 replacement entity on behalf of the client on satisfactory completion of the  
38 work. The client shall indicate in writing that the repairs and replacements  
39 have been completed before payment is made.

40 E. The department of revenue shall annually report to the department  
41 of economic security the amounts the utility assistance fund receives from  
42 each utility that requires a fee to be deposited in order to receive its  
43 services. The department of economic security shall report these amounts to  
44 the agencies.

45 F. Refunds by the utilities for deposits made by the utility  
46 assistance fund shall be transmitted to the department of revenue for deposit

1 in the fund. These refunds are subject to the established tariffs, rules and  
2 procedures of the utilities.

3 G. The utilities, the department and the designated community action  
4 or other agencies currently providing energy assistance shall inform the  
5 public of the utility assistance fund.

6 H. ~~Except as provided in subsection A of this section,~~ Monies in the  
7 utility assistance fund do not revert to the state general fund.

8 I. An amount of not more than two per cent of the utility assistance  
9 fund monies, **NOT TO EXCEED TWENTY THOUSAND DOLLARS IN ANY FISCAL YEAR,** may be  
10 used by the department and an amount of not more than eight per cent of the  
11 fund monies, **NOT TO EXCEED EIGHTY THOUSAND DOLLARS IN ANY FISCAL YEAR,** may be  
12 used by the agencies to reimburse them for their administrative costs in  
13 providing services under this article.

14 **J. MONIES THAT ARE DEPOSITED IN THE UTILITY ASSISTANCE FUND PURSUANT**  
15 **TO SUBSECTION B OF THIS SECTION SHALL BE USED ONLY FOR THE PURPOSES OF THIS**  
16 **SECTION AND SHALL NOT BE TRANSFERRED TO ANOTHER FUND FOR ANY OTHER PURPOSE.**

17 ~~J.~~ K. For the purposes of this section:

18 1. "Crisis situations" includes a substantial loss or reduction of  
19 income, unexpected emergency expenses, a health related emergency or no  
20 income in the household. The director may adopt rules that set forth other  
21 crisis situations.

22 2. "Utility" means a person that, for public use, transmits, sells,  
23 delivers or furnishes electricity, water, gas, sewer or telecommunications  
24 services.

25 Sec. 11. Section 46-803, Arizona Revised Statutes, is amended to read:

26 **46-803. Eligibility for child care assistance**

27 A. The department shall provide child care assistance to eligible  
28 families who are attempting to achieve independence from the cash assistance  
29 program and who need child care assistance in support of and as specified in  
30 their personal responsibility agreement pursuant to chapters 1 and 2 of this  
31 title.

32 B. The department shall provide child care assistance to eligible  
33 families who are transitioning off of cash assistance due to increased  
34 earnings or child support income in order to accept or maintain  
35 employment. Eligible families must request this assistance within six months  
36 after the cash assistance case closure. Child care assistance may be  
37 provided for up to twenty-four months after the case closure and shall cease  
38 whenever the family income exceeds one hundred sixty-five per cent of the  
39 federal poverty level.

40 C. The department shall provide child care assistance to eligible  
41 families who are diverted from cash assistance pursuant to section 46-298 in  
42 order to obtain or maintain employment. Child care assistance may be  
43 provided for up to twenty-four months after the case closure and shall cease  
44 whenever the family income exceeds one hundred sixty-five per cent of the  
45 federal poverty level.

1 D. The department may provide child care assistance to support  
2 eligible families with incomes of one hundred sixty-five per cent or less of  
3 the federal poverty level to accept or maintain employment. Priority for  
4 this child care assistance shall be given to families with incomes of one  
5 hundred per cent or less of the federal poverty level.

6 E. The department may provide child care assistance to families  
7 referred by child protective services and to children in foster care pursuant  
8 to title 8, chapter 5 to support child protection.

9 F. The department may provide child care assistance to special  
10 circumstance families whose incomes are one hundred sixty-five per cent or  
11 less of the federal poverty level and who are unable to provide child care  
12 for a portion of a twenty-four hour day due to a crisis situation of domestic  
13 violence or homelessness, or a physical, mental, emotional or medical  
14 condition, participation in a drug treatment or drug rehabilitation program  
15 or court ordered community service. Priority for this child care assistance  
16 shall be given to families with incomes of one hundred per cent or less of  
17 the federal poverty level.

18 G. In lieu of the employment activity required in subsection B, C or D  
19 of this section, the department may allow eligible families with teenaged  
20 custodial parents under twenty years of age to complete a high school diploma  
21 or its equivalent or engage in remedial education activities reasonably  
22 related to employment goals.

23 H. The department may provide supplemental child care assistance for  
24 department approved education and training activities if the eligible parent,  
25 legal guardian or caretaker relative is working at least a monthly average of  
26 twenty hours per week and this education and training are reasonably related  
27 to employment goals. The eligible parent, legal guardian or caretaker  
28 relative must demonstrate satisfactory progress in the education or training  
29 activity.

30 I. Beginning March 12, 2003, the department shall establish waiting  
31 lists for child care assistance and prioritize child care assistance for  
32 different eligibility categories in order to manage within appropriated and  
33 available monies. PRIORITY OF CHILDREN ON THE WAITING LIST SHALL START WITH  
34 THOSE FAMILIES AT ONE HUNDRED PER CENT OF THE FEDERAL POVERTY LEVEL AND  
35 CONTINUE WITH EACH SUCCESSIVE TEN PER CENT INCREASE IN THE FEDERAL POVERTY  
36 LEVEL UNTIL THE MAXIMUM ALLOWABLE FEDERAL POVERTY LEVEL OF ONE HUNDRED  
37 SIXTY-FIVE PER CENT. PRIORITY SHALL BE GIVEN REGARDLESS OF TIME SPENT ON THE  
38 WAITING LIST.

39 J. The department shall establish criteria for denying, reducing or  
40 terminating child care assistance that include:

- 41 1. Whether there is a parent, legal guardian or caretaker relative  
42 available to care for the child.
- 43 2. Financial or programmatic eligibility changes or ineligibility.
- 44 3. Failure to cooperate with the requirements of the department to  
45 determine or redetermine eligibility.



1           4. Hours of child care need that fall within the child's compulsory  
2 academic school hours.

3           5. Reasonably accessible and available publicly funded early childhood  
4 education programs.

5           6. Whether an otherwise eligible family has been sanctioned and cash  
6 assistance has been terminated pursuant to chapter 2 of this title.

7           7. Other circumstances of a similar nature.

8           8. Whether sufficient monies exist for the assistance.

9           K. FAMILIES RECEIVING CHILD CARE ASSISTANCE UNDER SUBSECTION D OR F OF  
10 THIS SECTION ARE ALSO SUBJECT TO THE FOLLOWING REQUIREMENTS FOR SUCH CHILD  
11 CARE ASSISTANCE:

12           1. EACH CHILD IS LIMITED TO NO MORE THAN SIXTY CUMULATIVE MONTHS OF  
13 CHILD CARE ASSISTANCE. THE DEPARTMENT MAY PROVIDE AN EXTENSION IF THE FAMILY  
14 CAN PROVE THAT THE FAMILY IS MAKING EFFORTS TO IMPROVE SKILLS AND MOVE  
15 TOWARDS SELF-SUFFICIENCY.

16           2. FAMILIES ARE LIMITED TO NO MORE THAN SIX CHILDREN RECEIVING CHILD  
17 CARE ASSISTANCE.

18           3. COPAYMENTS SHALL BE IMPOSED FOR ALL CHILDREN RECEIVING CHILD CARE  
19 ASSISTANCE. COPAYMENTS FOR EACH CHILD MAY BE HIGHER FOR THE FIRST CHILD IN  
20 CHILD CARE THAN FOR ADDITIONAL CHILDREN IN CHILD CARE.

21           ~~K.~~ L. The department shall review each case at least once a year to  
22 evaluate eligibility for child care assistance.

23           ~~L.~~ M. Notwithstanding section 35-173, monies appropriated for the  
24 purposes of this section shall not be used for any other purpose without the  
25 approval of the joint legislative budget committee.

26           N. THE DEPARTMENT SHALL REFER ALL CHILD CARE SUBSIDY RECIPIENTS TO  
27 CHILD SUPPORT ENFORCEMENT AND TO LOCAL WORKFORCE SERVICES AND PROVIDE  
28 INFORMATION ON THE EARNED INCOME TAX CREDIT.

29           Sec. 12. Section 46-805, Arizona Revised Statutes, is amended to read:

30           46-805. Child care assistance; rates

31           A. The department shall establish payment rates for child care  
32 assistance. Payment rates shall provide for equal access for eligible  
33 families to comparable child care services provided to families who are not  
34 eligible to receive child care assistance.

35           B. Beginning on July 1, 1998, payment rates shall be identical in form  
36 for all child care assistance.

37           C. The department may pay different levels of child care assistance  
38 according to the category of child care provider, age of children, geographic  
39 area, level of national accreditation, varying child care costs for children  
40 with special needs or other circumstances to meet the child care needs of  
41 eligible families.

42           D. The department shall establish a sliding fee scale and formula for  
43 determining child care assistance based on:

44           1. Income and earnings of the family.

45           2. Family size.

46           3. Number of children receiving child care assistance.



1           4. Child support to other minor dependent children of the parent  
2 living outside the family unit.

3           5. INCOME AND EARNINGS OF A FAMILY MEMBER WHO IS AT LEAST EIGHTEEN  
4 YEARS OF AGE AND WHO IS RESIDING IN THE HOME WITH A PARENT WHO IS RECEIVING  
5 CHILD CARE ASSISTANCE, IF THE FAMILY MEMBER CLAIMS ANY MEMBER OF A FAMILY  
6 UNIT APPLYING FOR ASSISTANCE AS A DEPENDENT ON A FEDERAL OR STATE INCOME TAX  
7 RETURN.

8           6. INCOME AND EARNINGS OF A NONFAMILY MEMBER WHO IS AT LEAST EIGHTEEN  
9 YEARS OF AGE AND WHO IS RESIDING IN THE HOME OF AND COHABITING WITH A PARENT  
10 WHO IS RECEIVING CHILD CARE ASSISTANCE IF THE COHABITING NONFAMILY MEMBER  
11 CLAIMS ANY MEMBER OF A FAMILY UNIT APPLYING FOR ASSISTANCE AS A DEPENDENT ON  
12 A FEDERAL OR STATE INCOME TAX RETURN.

13           ~~5.~~ 7. Other factors of a similar nature.

14           E. All child care providers shall remain in good standing with  
15 licensing and certification laws and adopted rules.

16           Sec. 13. County acute care contribution; fiscal year 2005-2006

17           A. Notwithstanding section 11-292, Arizona Revised Statutes, as  
18 amended by this act, for fiscal year 2005-2006 for the provision of  
19 hospitalization and medical care, the counties shall contribute the following  
20 amounts:

21	1. Apache	\$ 268,800
22	2. Cochise	2,214,800
23	3. Coconino	742,900
24	4. Gila	1,413,200
25	5. Graham	536,200
26	6. Greenlee	190,700
27	7. La Paz	212,100
28	8. Maricopa	31,959,200
29	9. Mohave	1,237,700
30	10. Navajo	310,800
31	11. Pima	14,951,800
32	12. Pinal	2,715,600
33	13. Santa Cruz	482,800
34	14. Yavapai	1,427,800
35	15. Yuma	1,325,100

1 B. If a county does not provide funding as specified in subsection A  
2 of this section, the state treasurer shall subtract the amount owed by the  
3 county to the Arizona health care cost containment system and long-term care  
4 system funds established by section 36-2913, Arizona Revised Statutes, from  
5 any payments required to be made by the state treasurer to that county  
6 pursuant to section 42-5029, subsection D, paragraph 2, Arizona Revised  
7 Statutes, plus interest on that amount pursuant to section 44-1201, Arizona  
8 Revised Statutes, retroactive to the first day the funding was due. If the  
9 monies the state treasurer withholds are insufficient to meet that county's  
10 funding requirements as specified in subsection A of this section, the state  
11 treasurer shall withhold from any other monies payable to that county from  
12 whatever state funding source is available an amount necessary to fulfill  
13 that county's requirement. The state treasurer shall not withhold  
14 distributions from the highway user revenue fund pursuant to title 28,  
15 chapter 18, article 2, Arizona Revised Statutes.

16 C. Payment of an amount equal to one-twelfth of the total amount  
17 determined pursuant to subsection A of this section shall be made to the  
18 state treasurer on or before the fifth day of each month. On request from  
19 the director of the Arizona health care cost containment system  
20 administration, the state treasurer shall require that up to three months'  
21 payments be made in advance, if necessary.

22 D. The state treasurer shall deposit the amounts paid pursuant to  
23 subsection C of this section and amounts withheld pursuant to subsection B of  
24 this section in the Arizona health care cost containment system and long-term  
25 care system funds established by section 36-2913, Arizona Revised Statutes.

26 E. If payments made pursuant to subsection C of this section exceed  
27 the amount required to meet the costs incurred by the Arizona health care  
28 cost containment system for the hospitalization and medical care of those  
29 persons defined as an eligible person pursuant to section 36-2901, paragraph  
30 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the director of  
31 the Arizona health care cost containment system administration may instruct  
32 the state treasurer either to reduce remaining payments to be paid pursuant  
33 to this section by a specified amount or to provide to the counties specified  
34 amounts from the Arizona health care cost containment system and long-term  
35 care system funds.

36 F. It is the intent of the legislature that the Maricopa county  
37 contribution pursuant to subsection A of this section shall be reduced in  
38 each subsequent year according to the changes in the GDP price deflator. For  
39 the purposes of this subsection, "GDP price deflator" has the same meaning  
40 prescribed in section 41-563, Arizona Revised Statutes.

41 Sec. 14. Hospitalization and medical care contribution; fiscal  
42 year 2005-2006

43 A. Notwithstanding any other law, for fiscal year 2005-2006, beginning  
44 with the second monthly distribution of transaction privilege tax revenues,  
45 the state treasurer shall withhold the following amounts from state  
46 transaction privilege tax revenues otherwise distributable, after any amounts

1 withheld for the county long-term care contribution or the county  
2 administration contribution pursuant to section 11-292, subsection P, Arizona  
3 Revised Statutes, as amended by this act, for deposit in the Arizona health  
4 care cost containment system fund established by section 36-2913, Arizona  
5 Revised Statutes, for the provision of hospitalization and medical care:

6	1. Apache	\$87,300
7	2. Cochise	\$162,700
8	3. Coconino	\$160,500
9	4. Gila	\$65,900
10	5. Graham	\$46,800
11	6. Greenlee	\$12,000
12	7. La Paz	\$24,900
13	8. Mohave	\$187,400
14	9. Navajo	\$122,800
15	10. Pima	\$1,115,900
16	11. Pinal	\$218,300
17	12. Santa Cruz	\$51,600
18	13. Yavapai	\$206,200
19	14. Yuma	\$183,900

20 B. If a county does not provide funding as specified in subsection A  
21 of this section, the state treasurer shall subtract the amount owed by the  
22 county to the Arizona health care cost containment system fund from any  
23 payments required to be made by the state treasurer to that county pursuant  
24 to section 42-5029, subsection D, paragraph 2, Arizona Revised Statutes, plus  
25 interest on that amount pursuant to section 44-1201, Arizona Revised  
26 Statutes, retroactive to the first day the funding was due. If the monies  
27 the state treasurer withholds are insufficient to meet that county's funding  
28 requirement as specified in subsection A of this section, the state treasurer  
29 shall withhold from any other monies payable to that county from whatever  
30 state funding source is available an amount necessary to fulfill that  
31 county's requirement. The state treasurer shall not withhold distributions  
32 from the highway user revenue fund pursuant to title 28, chapter 18, article  
33 2, Arizona Revised Statutes.

34 C. Payment of an amount equal to one-twelfth of the total monies  
35 prescribed pursuant to subsection A of this section shall be made to the  
36 state treasurer on or before the fifth day of each month. On request from  
37 the director of the Arizona health care cost containment system  
38 administration, the state treasurer shall require that up to three months'  
39 payments be made in advance, if necessary.

40 D. The state treasurer shall deposit the monies paid pursuant to  
41 subsection C of this section in the Arizona health care cost containment  
42 system fund established by section 36-2913, Arizona Revised Statutes.

43 E. In fiscal year 2005-2006, the sum of \$2,646,200 withheld pursuant  
44 to subsection A or B of this section, as applicable, is allocated for the  
45 county acute care contribution for the provision of hospitalization and

1 medical care services administered by the Arizona health care cost  
2 containment system administration.

3 Sec. 15. Withholding state shared revenues; fiscal year  
4 2005-2006

5 A. Based on the distribution of disproportionate share funding to  
6 county operated hospitals made pursuant to section 36-2903.01, subsection P,  
7 Arizona Revised Statutes, for fiscal year 2005-2006, the staff director of  
8 the joint legislative budget committee shall compute amounts to be withheld  
9 from transaction privilege tax revenues for counties with a population of at  
10 least one million five hundred thousand persons pursuant to subsection B of  
11 this section.

12 B. Notwithstanding section 42-5029, subsection D, paragraph 2, Arizona  
13 Revised Statutes, beginning with the first monthly distribution of  
14 transaction privilege tax revenues and at the direction of the governor, the  
15 state treasurer shall withhold an amount totaling \$63,366,600 from state  
16 transaction privilege tax revenues otherwise distributable, after any amounts  
17 withheld for the county long-term care contribution for fiscal year 2005-2006  
18 from counties with a population of at least one million five hundred thousand  
19 persons. Amounts withheld from individual counties under this subsection  
20 shall be determined pursuant to subsection A of this section.

21 C. In addition to the amount specified in subsection B of this  
22 section, the state treasurer may also withhold transaction privilege tax  
23 revenues in fiscal year 2006-2007 if amounts withheld pursuant to subsection  
24 B of this section for fiscal year 2005-2006 are insufficient.

25 D. If changes in federal policies regarding the disproportionate share  
26 funding to county operated hospitals reduces payment levels below the amount  
27 specified in the fiscal year 2005-2006 general appropriations act, the  
28 governor, after consultation with chairpersons of the house and senate  
29 appropriations committees, may direct the state treasurer to suspend  
30 withholdings of transaction privilege tax revenues specified in subsection B  
31 of this section to accommodate the federal policy change.

32 Sec. 16. County expenditure limitations; disproportionate  
33 share; fiscal year 2005-2006 adjustment formula

34 A. As a result of the transfer of funding for disproportionate share  
35 health services, as provided in this act, from the counties to the state and  
36 federal governments for fiscal year 1991-1992 through fiscal year 2005-2006  
37 the economic estimates commission shall decrease the base limit of each  
38 county in which the county hospital receives state and federal  
39 disproportionate share payments in fiscal year 2005-2006 as follows:

40 1. Divide the amount of the state and federal disproportionate share  
41 payments received by the county hospital in fiscal year 2005-2006 by the GDP  
42 price deflator, as defined in section 41-563, Arizona Revised Statutes, for  
43 the same fiscal year used to calculate expenditure limitations for fiscal  
44 year 2005-2006 and multiply the resulting quotient by the GDP price deflator  
45 determined for fiscal year 1979-1980.

1           2. Divide the amount determined in paragraph 1 for fiscal year  
2 2005-2006 by the population of the county, as defined in article IX, section  
3 20, subsection (3), paragraph (f), Constitution of Arizona, for the same  
4 fiscal year used to calculate expenditure limitations for fiscal year  
5 2005-2006 and multiply the resulting quotient by the population of the county  
6 for fiscal year 1979-1980.

7           B. The economic estimates commission shall adjust the county  
8 expenditure limitations for fiscal year 2005-2006 based on this section. The  
9 calculation shall use the same base limit of \$161,290,737 for Maricopa county  
10 for the purpose of determining the adjustment.

11           Sec. 17. County expenditure limitations; disproportionate  
12 share; fiscal year 2006-2007

13           As a result of the elimination of the transfer of funding for  
14 disproportionate share hospital services from the counties to the state and  
15 federal governments beginning with fiscal year 2006-2007, the county  
16 expenditure limitations shall be adjusted beginning with fiscal year  
17 2006-2007. The economic estimates commission shall increase the base limit  
18 of each county by the amount the base limit was decreased for fiscal year  
19 2005-2006 pursuant to this act.

20           Sec. 18. Child care eligibility levels; report

21           Notwithstanding section 46-803, Arizona Revised Statutes, for fiscal  
22 year 2005-2006, the department of economic security may reduce maximum income  
23 eligibility levels for child care assistance in order to manage within  
24 appropriated and available monies. The department shall notify the joint  
25 legislative budget committee of any change in maximum income eligibility  
26 levels for child care within fifteen days after implementing that change.

27           Sec. 19. Competency restoration treatment; city and county  
28 reimbursement; fiscal year 2005-2006; deposit; tax  
29 withholding

30           A. Notwithstanding section 13-4512, Arizona Revised Statutes, for  
31 cities and counties, if the state pays the costs of a defendant's inpatient  
32 competency restoration treatment pursuant to section 13-4512, Arizona Revised  
33 Statutes, the city or county shall reimburse the department of health  
34 services for eighty-six per cent of these costs for fiscal year 2005-2006  
35 except for those counties with populations of less than eight hundred  
36 thousand persons who shall pay fifty per cent of these costs for fiscal year  
37 2005-2006. The department shall deposit the monies, pursuant to sections  
38 35-146 and 35-147, Arizona Revised Statutes, in the Arizona state hospital  
39 fund established by section 36-545.08, Arizona Revised Statutes.

40           B. Each city and county shall make the reimbursements for these costs  
41 as specified in subsection A of this section within thirty days after a  
42 request by the department. If the city or county does not make the  
43 reimbursement, the superintendent of the Arizona state hospital shall notify  
44 the state treasurer of the amount owed and the treasurer shall withhold the  
45 amount, including any additional interest as provided in section 42-1123,  
46 Arizona Revised Statutes, from any transaction privilege tax distributions to

1 the city or county. The treasurer shall deposit the withholdings, pursuant  
2 to sections 35-146 and 35-147, Arizona Revised Statutes, in the Arizona state  
3 hospital fund established by section 36-545.08, Arizona Revised Statutes.

4 Sec. 20. Suicide prevention program; suspension

5 Notwithstanding section 36-3415, Arizona Revised Statutes, the  
6 department of health services shall not operate a suicide prevention program  
7 in fiscal year 2005-2006 unless new federal monies that do not require state  
8 matching monies are received for the operation of the program.

9 Sec. 21. Children's health insurance program; parents  
10 eligibility; fiscal year 2005-2006

11 A. Notwithstanding any other law, for fiscal year 2005-2006, a parent  
12 of a child who is eligible for or enrolled in the children's health insurance  
13 program or a parent who has a child enrolled under title 36, chapter 29,  
14 article 1, Arizona Revised Statutes, but who would be eligible for the  
15 children's health insurance program is eligible for the children's health  
16 insurance program as defined in title 36, chapter 29, article 4, Arizona  
17 Revised Statutes, and may apply for eligibility based on an income that does  
18 not exceed two hundred per cent of the federal poverty level.

19 B. In determining eligibility pursuant to subsection A of this  
20 section, the administration shall apply other eligibility requirements  
21 pursuant to sections 36-2981 and 36-2983, Arizona Revised Statutes, and to  
22 rules adopted by the administration. If the parent is determined eligible  
23 pursuant to this section, all other requirements established by the  
24 administration by rule, including premium payment requirements and available  
25 services, in title 36, chapter 29, article 4, Arizona Revised Statutes,  
26 apply.

27 Sec. 22. ALTCS; county contributions

28 Notwithstanding section 11-292, Arizona Revised Statutes, as amended by  
29 this act, county contributions for the Arizona long-term care system for  
30 fiscal year 2005-2006 are as follows:

- 31 1. Apache, \$526,300.
- 32 2. Cochise, \$5,774,700.
- 33 3. Coconino, \$1,579,000.
- 34 4. Gila, \$3,044,000.
- 35 5. Graham, \$963,300.
- 36 6. Greenlee, \$126,600.
- 37 7. La Paz, \$792,500.
- 38 8. Maricopa, \$130,003,100.
- 39 9. Mohave, \$7,328,700.
- 40 10. Navajo, \$2,177,000.
- 41 11. Pima, \$41,127,000.
- 42 12. Pinal, \$9,676,600.
- 43 13. Santa Cruz, \$2,098,800.
- 44 14. Yavapai, \$7,464,200.
- 45 15. Yuma, \$6,056,300.

Sec. 23. Arizona state hospital: private operation

A. Notwithstanding any law to the contrary, pursuant to requests for proposals, the department of health services may enter into a five year contract with a private entity to administer the Arizona state hospital and deliver client services. The contract shall allow the department to renew the contract for two subsequent renewal periods of not more than five years each and shall prescribe the circumstances under which the department may terminate the contract before the end of a five year period. The department may issue separate requests for proposals for criminal, civil, juvenile and adult population categories in the state hospital.

B. The contract shall include the following requirements:

1. The contractor must successfully attain performance goals prescribed by the department and the joint legislative budget committee relating to improvement of the state hospital's administration and delivery of client services.

2. The contractor shall not use subcontractors or subsidiaries to deliver services prescribed in the contract.

C. To be considered for an award of a contract, the contractor must demonstrate that it has:

1. The qualifications, operations and management experience and experienced personnel necessary to carry out the terms of the contract.

2. The ability to comply with applicable standards and any specific court order, if required.

3. A demonstrated history of successful operation and management of secure behavioral health facilities.

4. A demonstrated history of successful delivery of behavioral health services.

D. The contractor must agree:

1. That this state may cancel the contract at any time after the first year of operation, without penalty to this state, on ninety days' written notice.

2. To be in compliance at all times with all corrective action plans that are in effect at the time the contract is entered into or that are subsequently entered into by this state and the center for medicare and medicaid services.

3. To comply with all medicare certification requirements.

E. A contract may provide for annual contract price or cost adjustments, except that any adjustments may be made only once each year effective on the anniversary of the effective date of the contract. If any adjustment is made pursuant to the terms of the contract, it must be applied to the total payments made to the contractor for the previous contract year and shall not exceed the per cent of change in the average consumer price index as published by the United States department of labor, bureau of labor statistics between that figure for the latest calendar year and the next previous calendar year. Any price or cost adjustments different than those authorized in this subsection may be made only if the legislature

1 specifically authorizes the adjustments and appropriates monies for that  
2 purpose, if required.

3 F. The department shall not award a contract unless:

4 1. It receives an acceptable proposal pursuant to any request for  
5 proposals. For the purposes of this paragraph, "acceptable proposal" means a  
6 proposal that substantially meets all of the requirements or conditions  
7 prescribed in this section and that meets all of the requirements in the  
8 request for proposals.

9 2. The proposal offers cost savings to this state based on the  
10 standard cost comparison model approved by the joint legislative budget  
11 committee.

12 3. The proposal offers a level and quality of services that equal or  
13 exceed those that would be provided by this state.

14 4. The contractor provides audited financial statements for the  
15 previous five years, or for each of the years the contractor has been in  
16 operation, if fewer than five years, and provides other financial information  
17 as requested.

18 5. The contractor provides an adequate plan of insurance, specifically  
19 including coverage or insurance for civil rights claims and liabilities as  
20 approved by the risk management division of the department of administration.

21 6. The contractor agrees to be liable for the costs of any emergency,  
22 public safety or security services provided to the contractor by this state  
23 or any political subdivision of this state and to reimburse this state or any  
24 political subdivision of this state for the cost of those services.

25 G. The sovereign immunity of this state does not apply to the  
26 contractor. Neither the contractor nor the insurer of the contractor may  
27 plead the defense of sovereign immunity in any action arising out of the  
28 performance of the contract.

29 H. The contract terms are subject to prior review by the joint  
30 legislative budget committee before placement of any advertisement that  
31 solicits a response to a request for proposals. Any proposed modification or  
32 amendment to the contract is subject to prior review by the joint legislative  
33 budget committee.

34 I. During its first year of operation, the contracting entity shall  
35 submit monthly reports to the department and the joint legislative budget  
36 committee as prescribed by the department. Thereafter, the contracting  
37 entity shall submit quarterly reports to the department and the joint  
38 legislative budget committee as prescribed by the department.

39 J. At the end of the fourth year of the contract, an independent  
40 evaluator selected by the department shall conduct and complete a performance  
41 review to determine if the contracting entity has met the goals specified in  
42 the contract. The independent evaluator shall submit a report of its  
43 findings to the governor, the president of the senate, the speaker of the  
44 house of representatives and the joint legislative budget committee on or  
45 before May 1, 2010 and shall provide a copy of its report to the secretary of



1 state and the director of the Arizona state library, archives and public  
2 records.

3 K. The department shall make a good faith attempt to place all state  
4 hospital personnel who are under the state personnel system on the effective  
5 date of the contract entered into pursuant to this section and who are not  
6 offered continued employment by the contracting entity.

7 L. All appropriated monies that remain unexpended and unencumbered on  
8 the effective date of the contract entered into pursuant to this section  
9 revert to the state general fund.

10 M. The department of health services shall report to the joint  
11 legislative budget committee by July 1, 2006 on whether the department  
12 intends to privatize the state hospital. If the department intends to  
13 privatize the state hospital, the report shall contain a time frame for  
14 issuing a request for proposals. If the department decides against  
15 privatizing the state hospital, the report shall include the department's  
16 rationale for not doing so.

17 Sec. 24. Auditor general review; healthcare group

18 By March 1, 2006, the auditor general shall conduct a special audit as  
19 defined in section 41-1278, Arizona Revised Statutes, of the healthcare group  
20 program administered by the Arizona health care cost containment system. The  
21 audit shall include an examination of the administrative costs of the  
22 program, whether the program's financial reserves are adequate compared to  
23 what private health insurance providers are required to maintain and whether  
24 provisions requiring employer groups to be without health insurance for one  
25 hundred eighty days before enrollment in healthcare group are being  
26 enforced. The auditor general shall submit copies of the audits to the  
27 governor, the president of the senate, the speaker of the house of  
28 representatives, the secretary of state and the director of the Arizona state  
29 library, archives and public records.

30 Sec. 25. AHCCCS; report on outlier reimbursement

31 By November 15, 2005, the Arizona health care cost containment system  
32 shall report to the joint legislative budget committee on the methodology  
33 used to reimburse hospitals for outlier inpatient costs pursuant to section  
34 36-2903.01, subsection H, paragraph 10, Arizona Revised Statutes, the total  
35 reimbursements made in fiscal year 2004-2005 pursuant to that section by  
36 county and by health care facility or provider, or both, information  
37 detailing the lengths of stay and the types of services reimbursed pursuant  
38 to that section and the portion of total inpatient reimbursements that  
39 qualify as outliers. The report shall also examine whether any services are  
40 being reimbursed pursuant to section 36-2903.01, subsection H, paragraph 10,  
41 Arizona Revised Statutes, that were not originally intended to qualify as  
42 outliers.

43 Sec. 26. Child care eligibility; assistance; applicability;  
44 legislative intent

45 It is the intent of the legislature that the eligibility changes in  
46 sections 46-803 and 46-805, Arizona Revised Statutes, as amended by this act,

1 be applied prospectively on the effective date of this act. Clients  
2 currently receiving assistance shall not be exempt from the eligibility  
3 changes but shall have them applied starting on the effective date of this  
4 act.

5 Sec. 27. Acute care; redetermination; selected population;  
6 report

7 A. Notwithstanding any other law, for fiscal year 2005-2006, the  
8 Arizona health care cost containment system administration shall determine  
9 continued eligibility for acute care services every six months for any adult  
10 who is at least twenty-one years of age and who is being redetermined for  
11 temporary assistance for needy families cash benefits in the department of  
12 economic security.

13 B. Acute care redeterminations pursuant to subsection A shall start on  
14 the effective date of this act and shall occur simultaneously with  
15 redetermination for temporary assistance for needy families cash benefits.

16 C. The administration shall report to the president of the senate, the  
17 speaker of the house of representatives and the joint legislative budget  
18 committee by February 10, 2006 on the effects through January of changing the  
19 redetermination period for the population described in subsection A. The  
20 report shall include the number of redetermination letters sent out, the  
21 number of redetermination interviews conducted and the number of  
22 redetermination interviews resulting in continued acute care benefits.